

---

**TITLE 872 INDIANA BOARD OF ACCOUNTANCY**

---

**Final Rule**

LSA Document #16-372(F)

**DIGEST**

Amends [872 IAC 1-1-2](#) to allow the board's designee the ability to authorize forms. Amends [872 IAC 1-1-6.3](#) to eliminate outdated references of accrediting associations. Amends [872 IAC 1-1-12](#) to provide certified public accountant candidates with updated contents and grading for the Uniform CPA Examination. Amends [872 IAC 1-1-14](#) to provide eligible certified public accountant candidates with time of holding examinations and notice of the Uniform CPA Examination. Amends [872 IAC 1-1-19](#) to provide certified public accountant candidates with passing grades and reexamination requirements in regard to the Uniform CPA Examination. Amends [872 IAC 1-3-4](#) concerning course requirements in order for a continuing professional education (CPE) course to qualify and be included in the CPE minimum hour. Effective 30 days after filing with the Publisher.

[872 IAC 1-1-2](#); [872 IAC 1-1-6.3](#); [872 IAC 1-1-12](#); [872 IAC 1-1-14](#); [872 IAC 1-1-19](#); [872 IAC 1-3-4](#)

SECTION 1. [872 IAC 1-1-2](#) IS AMENDED TO READ AS FOLLOWS:

**[872 IAC 1-1-2](#) Applications for examination or registration; use of forms; filing deadlines**

**Authority:** [IC 25-2.1-2-15](#)

**Affected:** [IC 25-2.1](#)

Sec. 2. Applications must be made on forms authorized by the board **or the board's designee**. Reproductions will not be accepted. The forms include detailed instructions that, if followed, should furnish the board or the board's designee with sufficient information to enable it to pass upon the candidate's eligibility for examination or the applicant's eligibility for registration. The board or the board's designee may require candidates to provide photographs, certified transcripts of education achievement, and other relevant data.

*(Indiana Board of Accountancy; Rule 69-1,2; filed Jun 30, 1978, 9:54 a.m.: 1 IR 394; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1927; filed May 1, 1984, 12:50 p.m.: 7 IR 1538; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1030; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2733; readopted filed Oct 4, 2007, 3:32 p.m.: [20071031-IR-872070066RFA](#); readopted filed Nov 25, 2013, 9:20 a.m.: [20131225-IR-872130279RFA](#); filed Dec 14, 2016, 12:08 p.m.: [20170111-IR-872160372FRA](#))*

SECTION 2. [872 IAC 1-1-6.3](#) IS AMENDED TO READ AS FOLLOWS:

**[872 IAC 1-1-6.3](#) Accepted colleges, universities, and degrees**

**Authority:** [IC 25-2.1-2-15](#)

**Affected:** [IC 25-2.1-3-2](#); [IC 25-2.1-6](#)

Sec. 6.3. (a) A college or university is recognized by the board if it is accredited by one (1) of the following regional accrediting associations:

- (1) Middle States Association of Colleges and Schools/Commission on Higher Education.
- (2) New England Association of Schools and Colleges.
- (3) North Central Association of Schools and Colleges.
- (4) Northwest Association of Schools and Colleges. **Commission on Colleges and Universities.**
- (5) Southern Association of Colleges and Schools/Commission on Colleges.
- (6) Western Association of Schools and Colleges/Accrediting Commission for Senior Colleges.

(b) The colleges and universities recognized by the board under subsection (a), which do not include candidates for accreditation, are listed in the following documents, which are incorporated by reference as if fully set out in this rule:

- (1) Directory Accredited Membership and Candidates for Accreditation 1997-98, published by the Commission on Higher Education Middle States Association of Colleges and Schools, 3624 Market Street, 2nd Floor Annex, Philadelphia, Pennsylvania 19104, copyright 1997.
- (2) New England Association of Schools and Colleges Membership Roster 1997, published by the New England Association of Schools and Colleges, Inc., 209 Burlington Road, Bedford, Massachusetts

01730-1433.

(3) 1997 Directory of CIHE Affiliated Institutions, NCA Quarterly, Volume 72, Number 2, Fall 1997, published by the North Central Association of Colleges and Schools, 30 North LaSalle, Suite 2400, Chicago, Illinois 60602.

(4) Directory of Accredited Postsecondary Institutions, July 1997, published by Commission on Colleges Northwest Association of Schools and Colleges, 11130 NE 33rd Place, Suite 120, Bellevue, Washington 98004.

(5) Commission on Colleges July 1997 Member List, published by Southern Association of Colleges and Schools/Commission on Colleges, 1866 Southern Lane, Decatur, Georgia 30033-4500.

(6) Directory of Accredited Institutions Candidates for Accreditation, 1997-1998, published by Western Association of Schools and Colleges, Inc., 533 Airport Boulevard, Suite 200, Burlingame, California 94010.

(c) Degrees from foreign universities, if they substantially comply with the requirements of section 6 [\[872 IAC 1-1-6 was repealed filed Aug 3, 2001, 4:34 p.m.: 24 IR 3990\]](#) or 6.1 of this rule and [IC 25-2.1-3-2](#), will be deemed to meet the requirements established by [IC 25-2.1-3-2](#).

(d) The applicant's claim to college or university credits must be confirmed by an official transcript of credit issued by the institution. The transcript must show that the degree has been conferred and must bear the official seal of the college or university, as well as the official signature of the registrar.

(e) The applicant is responsible for all such material being in possession of the board or the board's designee by the deadline for filing applications. Incomplete or late applications ~~will~~ **weill** *[sic, will]* be disapproved by the board.

*(Indiana Board of Accountancy; [872 IAC 1-1-6.3](#); filed Jun 5, 1998, 3:58 p.m.: 21 IR 3934; errata filed Jul 28, 1998, 10:59 a.m.: 21 IR 4537; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: [20071031-IR-872070066RFA](#); readopted filed Nov 25, 2013, 9:20 a.m.: [20131225-IR-872130279RFA](#); filed Dec 14, 2016, 12:08 p.m.: [20170111-IR-872160372FRA](#))*

SECTION 3. [872 IAC 1-1-12](#) IS AMENDED TO READ AS FOLLOWS:

### **[872 IAC 1-1-12](#) Contents of examinations; grading**

**Authority:** [IC 25-2.1-2-15](#)

**Affected:** [IC 25-2.1-3](#)

Sec. 12. (a) ~~Effective April 2004, as~~ The examination for certified public accountant candidates, the board or the board's designee shall use the computer-based Uniform CPA examination that is available to be taken in four (4) testing windows as provided in section 14 of this rule **developed** and prepared **scored** by the AICPA. ~~under a plan of cooperation with the boards of all states and territories of the United States. The examination consists of the following sections:~~

- ~~(1) Auditing and attestation.~~
- ~~(2) Business environment and concepts.~~
- ~~(3) Financial accounting and reporting.~~
- ~~(4) Regulations.~~

(b) The board or the board's designee shall use the Advisory Grading Service provided by the AICPA under a plan of cooperation with the boards of all states and territories of the United States to assist it in performing its duties under [IC 25-2.1](#). **The examination shall test the knowledge and skills required for performance as a newly licensed certified public accountant. The examination shall include the subject areas of accounting and auditing and related knowledge and skills as the board may require, which shall consist of the following four (4) examination sections:**

- (1) Auditing and attestation.**
- (2) Business environment and concepts.**
- (3) Financial accounting and reporting.**
- (4) Regulation.**

~~(c) For purposes of section 19 of this rule, for conditioned candidates reexamination requirements, those candidates who prior to April 2004 had credit for passing:~~

- (1) auditing shall have credit for auditing and attestation;
- (2) business law and professional responsibilities shall have credit for business environment and concepts;
- (3) financial accounting and reporting shall have credit for financial accounting and reporting; and
- (4) accounting and reporting shall have credit for regulations.

(d) ~~As the examination for accounting practitioners, the board or the board's designee shall use sections of the computer-based Uniform CPA examination as provided for in this subsection. An individual with a two (2) year associate degree under [IC 25-2.1-6-1\(a\)\(3\)\(A\)](#) shall take the financial accounting and reporting and the regulations sections of the Uniform CPA examination. An individual with a baccalaureate degree under [IC 25-2.1-6-1\(a\)\(3\)\(B\)](#) shall take only the financial accounting and reporting section of the Uniform CPA examination.~~

(e) ~~The board or the board's designee may also make use of the Advisory Grading Service provided by the AICPA to assist in performing its duties under [IC 25-2.1](#).~~

*(Indiana Board of Accountancy; Rule 69-1, 12; filed Jun 30, 1978, 9:54 a.m.: 1 IR 397; filed May 1, 1984, 12:50 p.m.: 7 IR 1540; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1034; filed Aug 28, 1986, 3:20 p.m.: 10 IR 66; filed Apr 5, 1994, 3:30 p.m.: 17 IR 1888; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Jul 30, 2003, 5:15 p.m.: 26 IR 3882; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2736; readopted filed Oct 4, 2007, 3:32 p.m.: [20071031-IR-872070066RFA](#); readopted filed Nov 25, 2013, 9:20 a.m.: [20131225-IR-872130279RFA](#); filed Dec 14, 2016, 12:08 p.m.: [20170111-IR-872160372FRA](#))*

SECTION 4. [872 IAC 1-1-14](#) IS AMENDED TO READ AS FOLLOWS:

**[872 IAC 1-1-14](#) Time of holding examinations; notice**

**Authority:** [IC 25-2.1-2-15](#)

**Affected:** [IC 25-2.1](#)

Sec. 14. (a) ~~Beginning April 2004,~~ Candidates will be allowed to take the examination during the following four (4) testing windows in a calendar year. **A testing window is equal to a calendar quarter (January-March, April-June, July-September, October-December). Testing will be available to candidates no less than two (2) months out of each testing window.**

- (1) ~~January 2 through February 29.~~
- (2) ~~April 1 through May 31.~~
- (3) ~~July 1 through August 31.~~
- (4) ~~October 1 through November 30.~~

(b) Eligible candidates shall be notified of the time, place, and procedures of the examination or shall independently contact the board, **the board's designee**, or a test center operator ~~identified by the board to obtain to schedule~~ the time, place, and procedures for the examination at an approved test site.

*(Indiana Board of Accountancy; Rule 69-1, 14; filed Jun 30, 1978, 9:54 a.m.: 1 IR 398; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2737; readopted filed Oct 4, 2007, 3:32 p.m.: [20071031-IR-872070066RFA](#); readopted filed Nov 25, 2013, 9:20 a.m.: [20131225-IR-872130279RFA](#); filed Dec 14, 2016, 12:08 p.m.: [20170111-IR-872160372FRA](#))*

SECTION 5. [872 IAC 1-1-19](#) IS AMENDED TO READ AS FOLLOWS:

**[872 IAC 1-1-19](#) Certified public accountants; passing grades; conditioned candidates; reexaminations**

**Authority:** [IC 25-2.1-2-15](#)

**Affected:** [IC 25-2.1-3-8](#)

Sec. 19. (a) The candidate must attain the uniform passing grade of seventy-five (75), scaled through a psychometrically acceptable standard setting procedure and approved by the board.

(b) A candidate may take the required test sections individually and in any order. Credit for any test section passed shall be valid for **a period of** eighteen (18) months **and be calculated** from the actual date the candidate took that test section, **without having to attain a minimum score on any failed test section(s) and without**

**regard to whether the candidate has taken other test sections** provided the following:

- (1) Candidates must pass all ~~four (4)~~ test sections of the ~~Uniform CPA~~ examination within a rolling eighteen (18) month period, which begins on the date that the first test section passed is taken.
- (2) Candidates cannot retake a failed test section in the same testing window **as defined in [872 IAC 1-1-14\(a\)](#) [section 14(a) of this rule]**.
- (3) In the event all four (4) test sections of the ~~Uniform CPA~~ examination are not passed within the rolling eighteen (18) month period, credit for any test section passed ~~more than~~ **outside the** eighteen (18) months ~~[sic] previously~~ **period** will expire and that test section must be retaken.

(c) Candidates having earned conditional credits on the paper and pencil examination, prior to April 2004, will retain conditional credits for the corresponding test sections of the computer-based CPA examination as follows:

Paper and Pencil Examination	Computer-Based Examination
Auditing	Auditing and attestation
Financial accounting and reporting (FARE)	Financial accounting and reporting
Accounting and reporting (ARE)	Regulation
Business law and professional responsibilities (LPR)	Business environment and concepts

**(c) A candidate shall retain credit for any and all test sections of the examination passed as a candidate of another state if such credit would have been given under then applicable requirements in Indiana.**

(d) Additional requirements for the transitional conditional status are as follows:

- (1) Candidates who have attained conditional status prior to April 2004 will be allowed a transition period to complete any remaining test sections of the CPA examination. The transition is the maximum number of opportunities that candidates who have conditioned under the paper and pencil examination have remaining, prior to April 2004, to complete all remaining test sections, or the number of remaining opportunities under the paper and pencil examination, multiplied by six (6) months, whichever is first exhausted.
- (2) If a previously conditioned candidate does not pass all remaining test sections during the transition period, conditional credits earned under the paper and pencil examination will expire and the candidate will lose credit for the test sections earned under the paper and pencil examination. However, any test section passed during the transition period is subject to the conditioning provisions of the computer-based examination as provided for in subsection (c), except that a previously conditioned candidate will not lose conditional credit for a test section of the computer-based examination that is passed during the transition period, even though more than eighteen (18) months may have elapsed from the date the test section is passed, until the end of the transition period.

(e) Under ~~IC 25-2.1-3-8~~, the board may extend the term of conditional credit validity if the candidate can show that the credit was lost by reason of circumstances beyond the candidate's control.

(f) **(d)** A candidate shall be deemed to have passed the ~~Uniform CPA~~ examination once the candidate holds at the same time valid credit for passing each of the ~~four (4)~~ test sections of the examination. For purposes of this section, credit for passing a test section of the ~~computer-based~~ examination is valid from the actual date of the testing event for that ~~testing~~ **test** section, regardless of the date the candidate actually receives notice of the passing grade.

**(e) Notwithstanding subsection (b), the board may in particular cases extend the term of credit validity upon a showing that the credit was lost by reason of circumstances beyond the candidate's control.**

*(Indiana Board of Accountancy; Rule 69-1, 19; filed Jun 30, 1978, 9:54 a.m.: 1 IR 398; filed Feb 15, 1980, 3:05 p.m.: 3 IR 640; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1929; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1036; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2346; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 16, 2004, 10:04 a.m.: 27 IR 2737; readopted filed Oct 4, 2007, 3:32 p.m.: [20071031-IR-872070066RFA](#); readopted filed Nov 25, 2013, 9:20 a.m.: [20131225-IR-872130279RFA](#); filed Dec 14, 2016, 12:08 p.m.: [20170111-IR-872160372FRA](#))*

SECTION 6. [872 IAC 1-3-4](#) IS AMENDED TO READ AS FOLLOWS:

#### **[872 IAC 1-3-4](#) Course requirements**

Authority: [IC 25-2.1-2-15](#)

Affected: [IC 25-2.1-4-5](#)

Sec. 4. (a) For a course to qualify and be included in the CPE minimum hour requirement, it must be:

- (1) formally organized;
- (2) primarily instructional; and
- (3) designed to directly enhance the certificate holder's knowledge and skill in providing services in the practice of public accountancy.

The requirements of subsection (b) must be met for a course to qualify.

(b) The following do not qualify:

~~(1) Meetings conducted during eating periods.~~

~~(2) (1) Business meetings for the:~~

(A) election of directors or officers;

(B) treasurers' reports; or

(C) committee reports.

~~(3) Committee work with local, state, and national professional organizations.~~

~~(4) (2) Firm staff meetings that are oriented toward administrative and housekeeping matters.~~

(c) The board may obtain assistance from state and national accounting organizations relating to interpreting the acceptability and number of CPE hours for an individual sponsor or course.

*(Indiana Board of Accountancy; Rule 69-1, 40, 4; filed Feb 15, 1980, 3:05 p.m.: 3 IR 643; filed May 1, 1984, 12:50 p.m.: 7 IR 1546; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1042; filed Aug 28, 1986, 3:20 p.m.: 10 IR 69; filed May 17, 1988, 3:15 p.m.: 11 IR 3568, eff Jul 1, 1988; filed Dec 4, 1989, 4:40 p.m.: 13 IR 633; filed Nov 20, 1990, 9:33 a.m.: 14 IR 759, eff Jan 1, 1991; filed Aug 22, 1991, 5:00 p.m.: 15 IR 8; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2349; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1655; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; readopted filed Oct 4, 2007, 3:32 p.m.: [20071031-IR-872070066RFA](#); filed Nov 5, 2008, 2:33 p.m.: [20081203-IR-872080293FRA](#); readopted filed Nov 25, 2013, 9:20 a.m.: [20131225-IR-872130279RFA](#); filed Dec 14, 2016, 12:08 p.m.: [20170111-IR-872160372FRA](#))*

LSA Document #16-372(F)

Notice of Intent: [20160831-IR-872160372NIA](#)

Proposed Rule: [20161019-IR-872160372PRA](#)

Hearing Held: November 18, 2016

Approved by Attorney General: November 28, 2016

Approved by Governor: December 14, 2016

Filed with Publisher: December 14, 2016, 12:08 p.m.

Documents Incorporated by Reference: None Received by Publisher

Small Business Regulatory Coordinator: Rae Harman, Indiana Professional Licensing Agency, Indiana Government Center South, 402 West Washington Street, W072, Indianapolis, IN 46204, (317) 234-8817, [raharman@pla.in.gov](mailto:raharman@pla.in.gov)

Posted: 01/11/2017 by Legislative Services Agency

An [html](#) version of this document.